



Can knowledge of Protection Claims support Financial Advice?


Martin Duffy ACII, DLDU & DLDC (AMS)
Chartered Insurer
Head of Underwriting & Protection Claims

Webinar, 13 April 2015




IRISH LIFE ANNUAL CLAIMS REPORT 2015

PENSIONS
INVESTMENTS
LIFE INSURANCE


Irish Life

ANNUAL CLAIMS REPORT

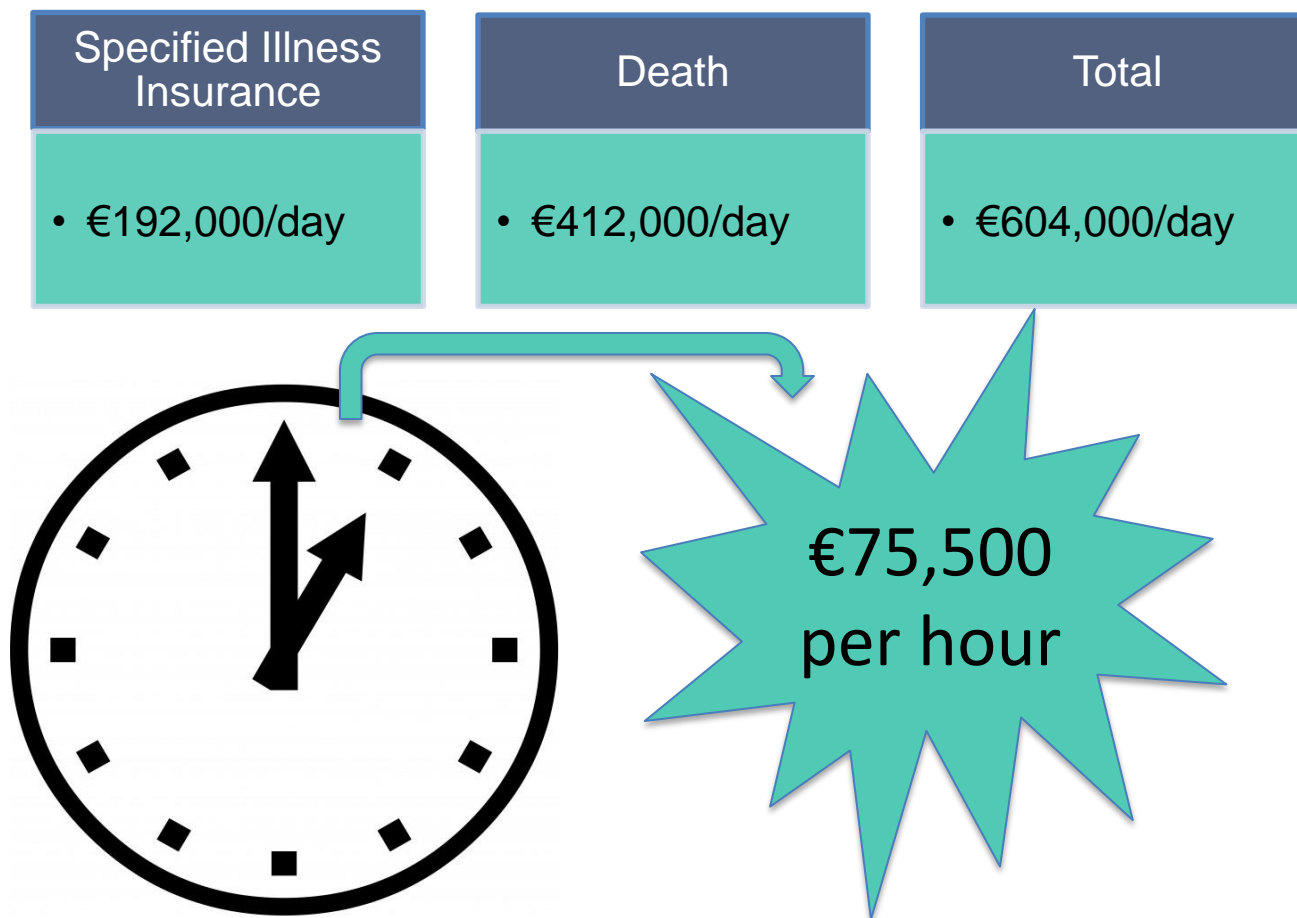
2015



This report contains an analysis of protection claims we paid in 2015, highlighting some key facts and emerging trends. Although we paid claims to over 5,000 people and families affected by illness and death in 2015, the report also highlights that most Irish families do not have the level of financial protection that they need. See inside for more details.



ILFS: PAID EVERY WORKING DAY IN 2015



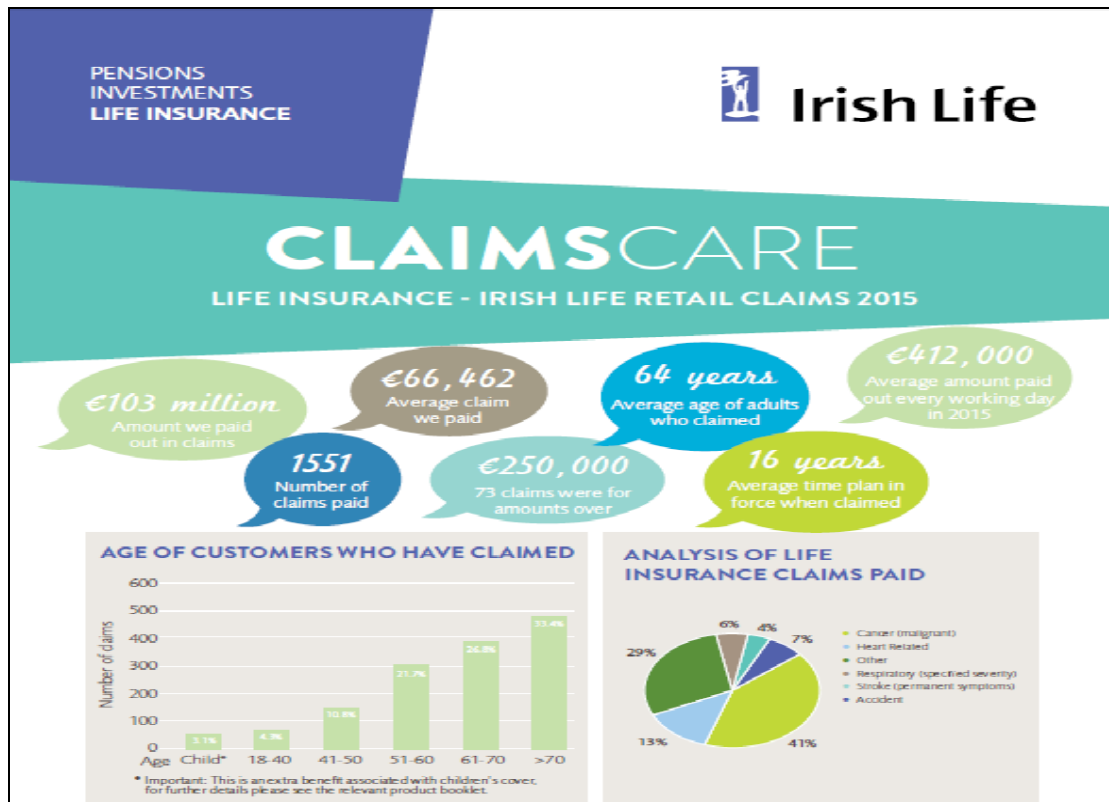
PROTECTION DEATH CLAIMS 2015

1,551 claims
paid

€103m

Ave €66,462

€412,000
every working
day



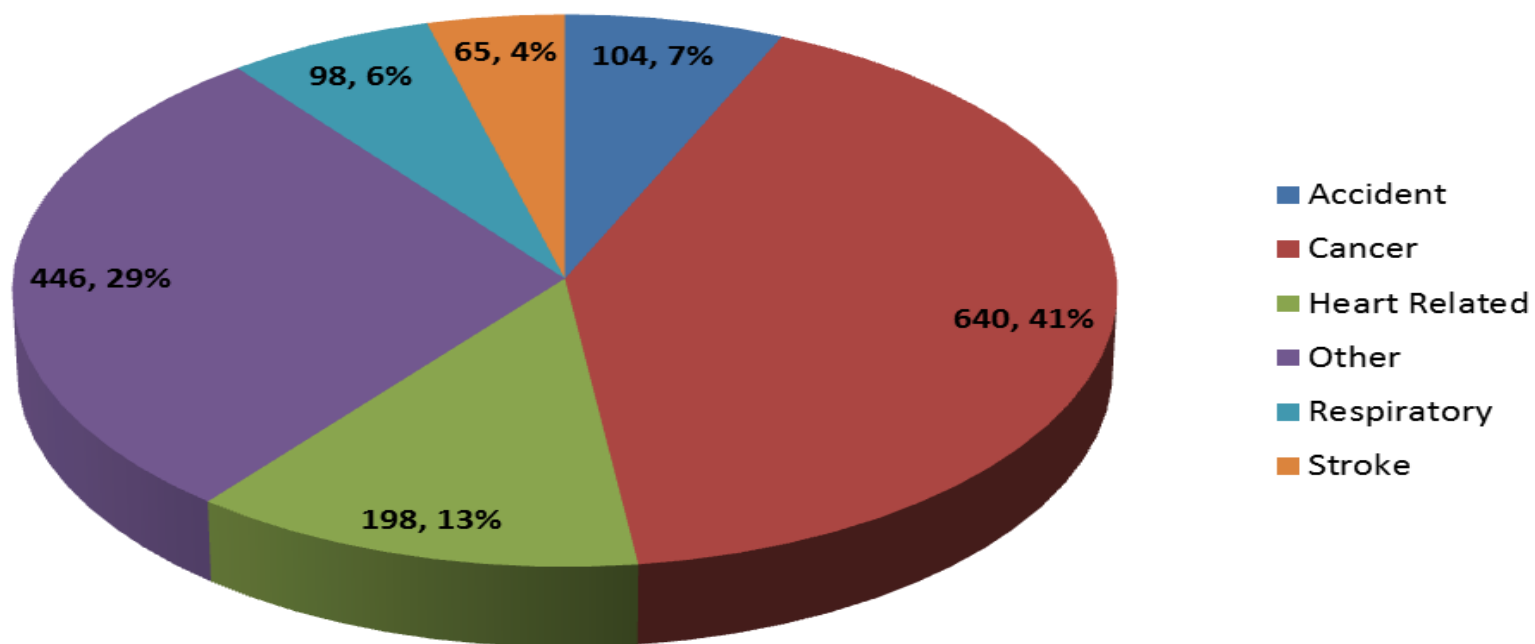
€825,00
Plan in force 3 years

**Average duration in
force = 16 years**



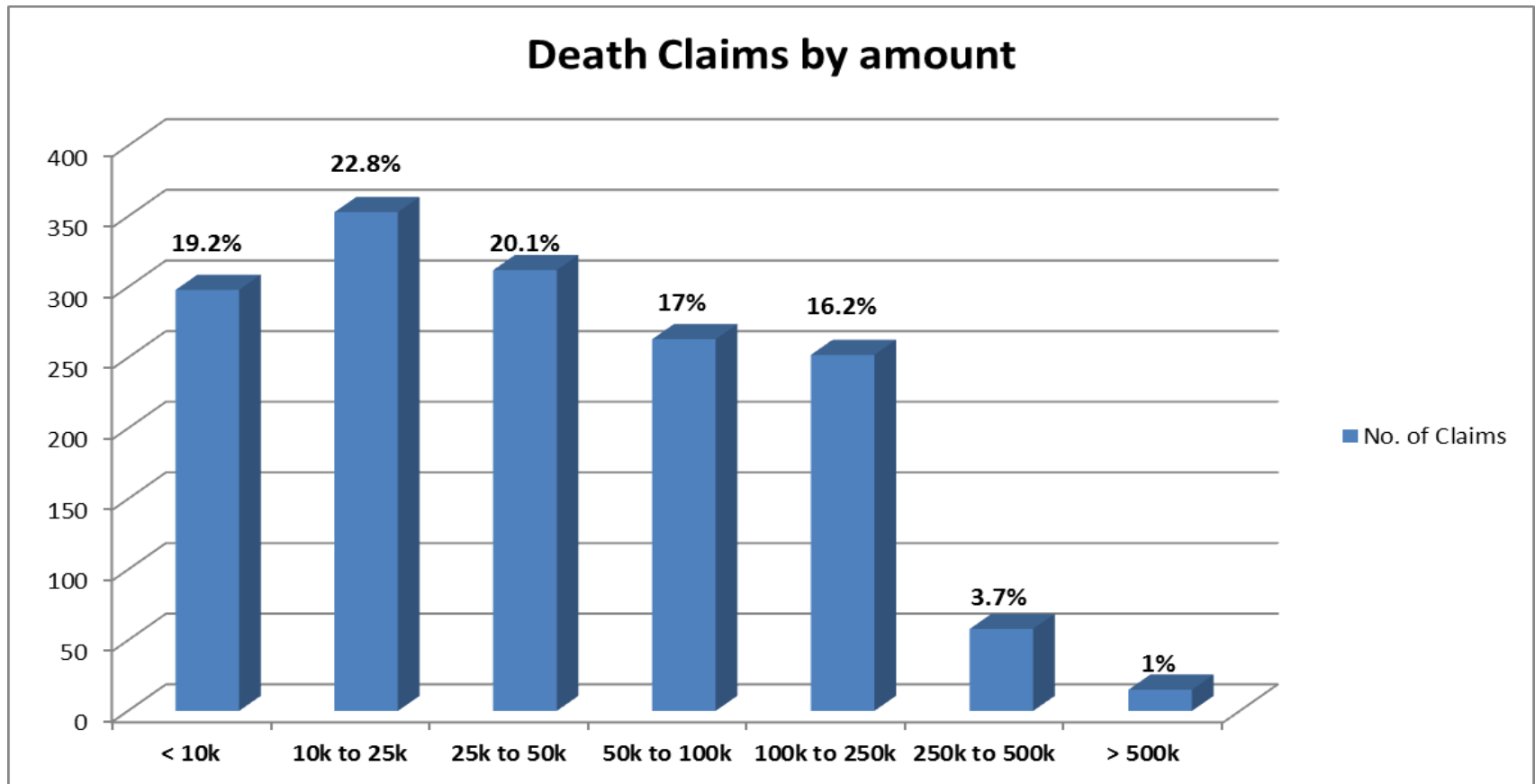
DEATH CLAIMS 2015

Death Claims by cause





DEATH CLAIMS BY AMOUNT



DEATH CLAIMS PAID IN 2015 – EXAMPLES

€125,000
Male in 30's

- Stroke
- 9 months in force

€638,000
Male in 50's

- Pulmonary Embolism
- 6 years in force

€296,000
Female in 30's

- Cancer
- < 2 years in force

€180,000
Male in 40's

- Heart attack
- 6 months in force

DEATH CLAIMS PAID IN 2015 – ACCIDENTS/'UNINTENDED'

- ❑ 7% of all death claims paid were as a result of an accident
- ❑ 18 road accident deaths + 8 work-related fatalities
- ❑ 104 life cover claims – value of €13.2 million
- ❑ Average age of adult accidental death was 47**17 years** younger than average age at death of 64
- ❑ 37% of all life cover claims for claimants under 40 were results of accidents
- ❑ The average duration in-force for accident-related claims was 9 years

17 years
younger



ACCIDENT CLAIMS PAID IN 2015 – EXAMPLES

€143,000
Male in 50's

- Work-related accident
- 6 months in force

€195,000
Female in 30's

- Fall - accident
- < 1 year in force

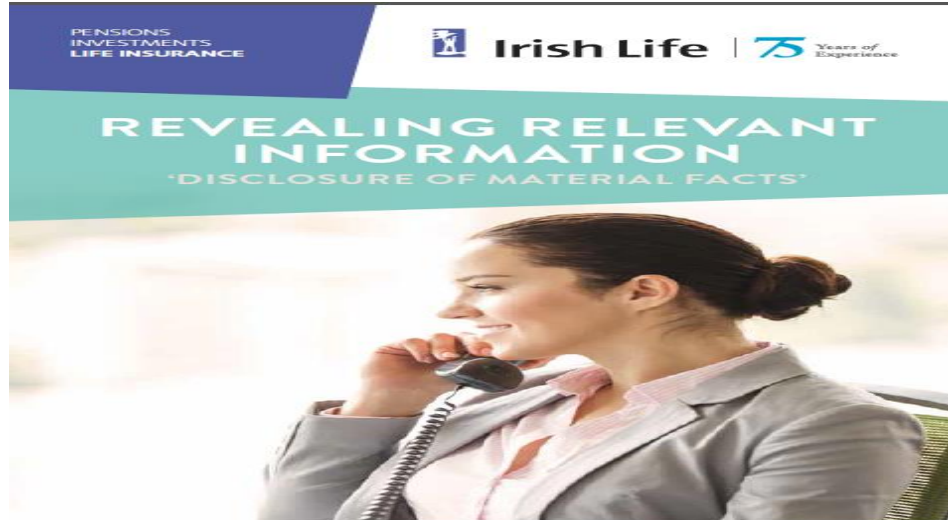
€172,000
Male in 30's

- Road accident
- 7 years in force

€90,000
Male in 50's

- Self-inflicted
- 3 years in force

PAID / DECLINED DEATH CLAIMS



- ☐ Irish Life paid 98% of Death claims in 2015.
- ☐ The average over the last 5 years was 97.8%.
- ☐ Very strong pay percentage and consistent over time – should give you as a financial broker confidence in what Irish Life does
- ☐ The main reason for declining a claim was Non-Disclosure, the majority of which related to psychiatric history and/or excess alcohol.

10

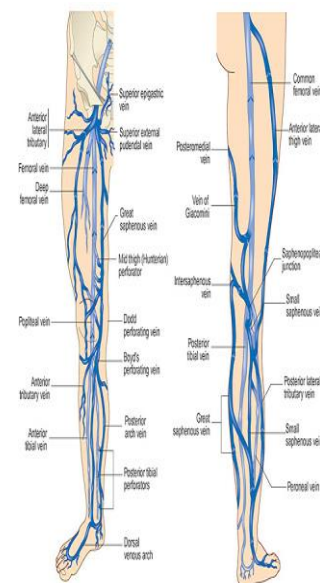
EXAMPLE OF DEATH NON-DISCLOSURE (1)

- ❑ Mr F took out cover in Jan 2009
- ❑ €200,000 Life cover
- ❑ Death claim June 2015 – Alcohol Related cirrhosis
- ❑ On investigation – history of alcohol dependence, history of alcohol-related liver disease, multiple doctor visits, raised LFT's (all predated application for cover)
- ❑ Non-disclosure of material facts
- ❑ Had we been aware, no cover would have been offered
- ❑ Claim declined and plan voided



EXAMPLE OF DEATH NON-DISCLOSURE (2)

- ❑ Mr A took out cover Oct 2006
- ❑ €221,000 Life cover – minor non rated disclosures
- ❑ Death claim 2014 – Cardiac Arrhythmia
- ❑ On investigation – history of peripheral vascular disease, very heavy smoker & treatment for circulation problems in right leg (all prior to application for cover)
- ❑ Non-disclosure of material facts
- ❑ Had we been aware, no cover would have been offered
- ❑ Claim declined and plan voided



The Venous Anatomy of the Legs
Deep System - light blue Superficial System - dark blue

TERMINAL ILLNESS 2015

PENSIONS
INVESTMENTS
LIFE INSURANCE


Irish Life

CLAIMSCARE
TERMINAL ILLNESS COVER - IRISH LIFE RETAIL CLAIMS 2015

**ADDITIONAL BENEFITS
AT NO EXTRA COST**

HOW DOES TERMINAL ILLNESS COVER WORK?

A terminal illness is a condition that, in the opinion of the appropriate hospital consultant and our chief medical officer, has progressed to the stage where it cannot be cured and the illness is expected to lead to death within 12 months.

If you have life cover and are diagnosed as having a terminal illness, we will pay you up to your full life cover benefit straight away.

If you have specified illness cover and no life cover and are diagnosed with a terminal illness, we will pay €15,000 of your specified illness cover straight away or half of your total specified illness cover amount, whichever is lower.

Please see the relevant product booklets for detailed information or speak to your Financial Adviser.

This information is correct as at February 2016.



**31 Paid during 2015 –
2% of death claims**

Average €82,561

Average 9 years in force

**Males 55
Female 53**

**UK
c.15% of Life Claims**

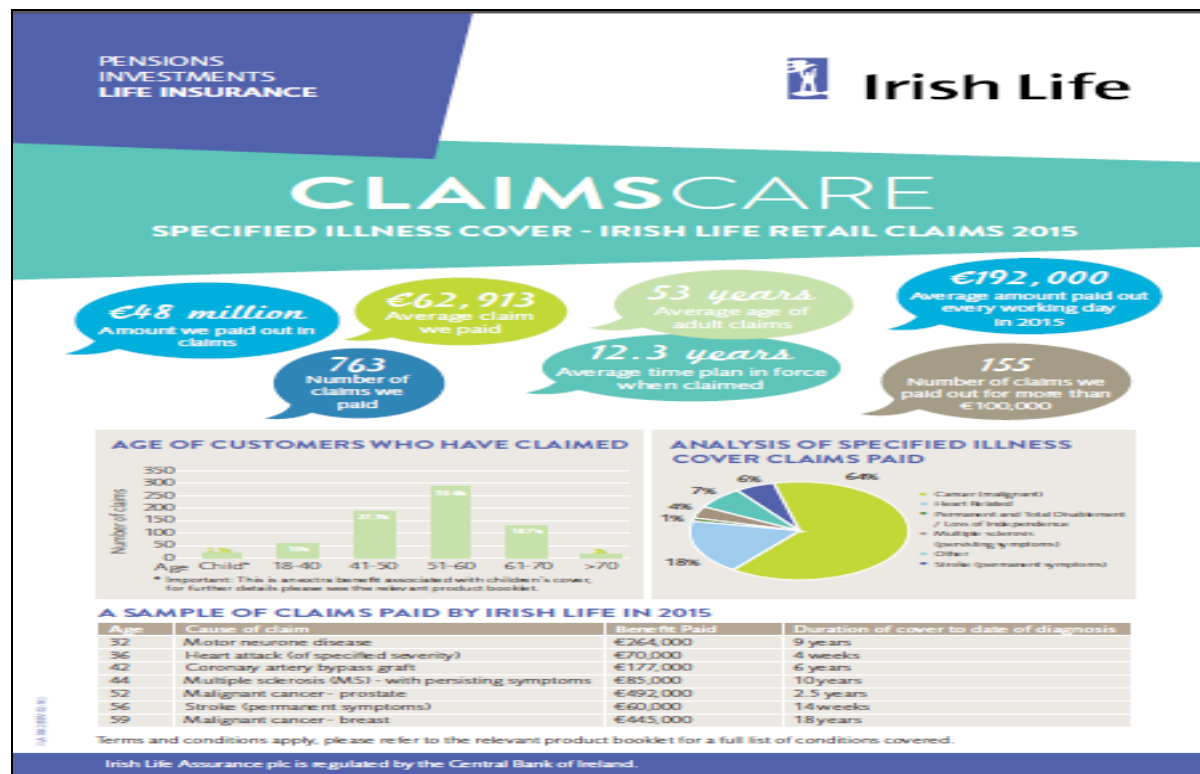
SPECIFIED ILLNESS CLAIMS 2015

763 claims

€48m

Ave €62,913

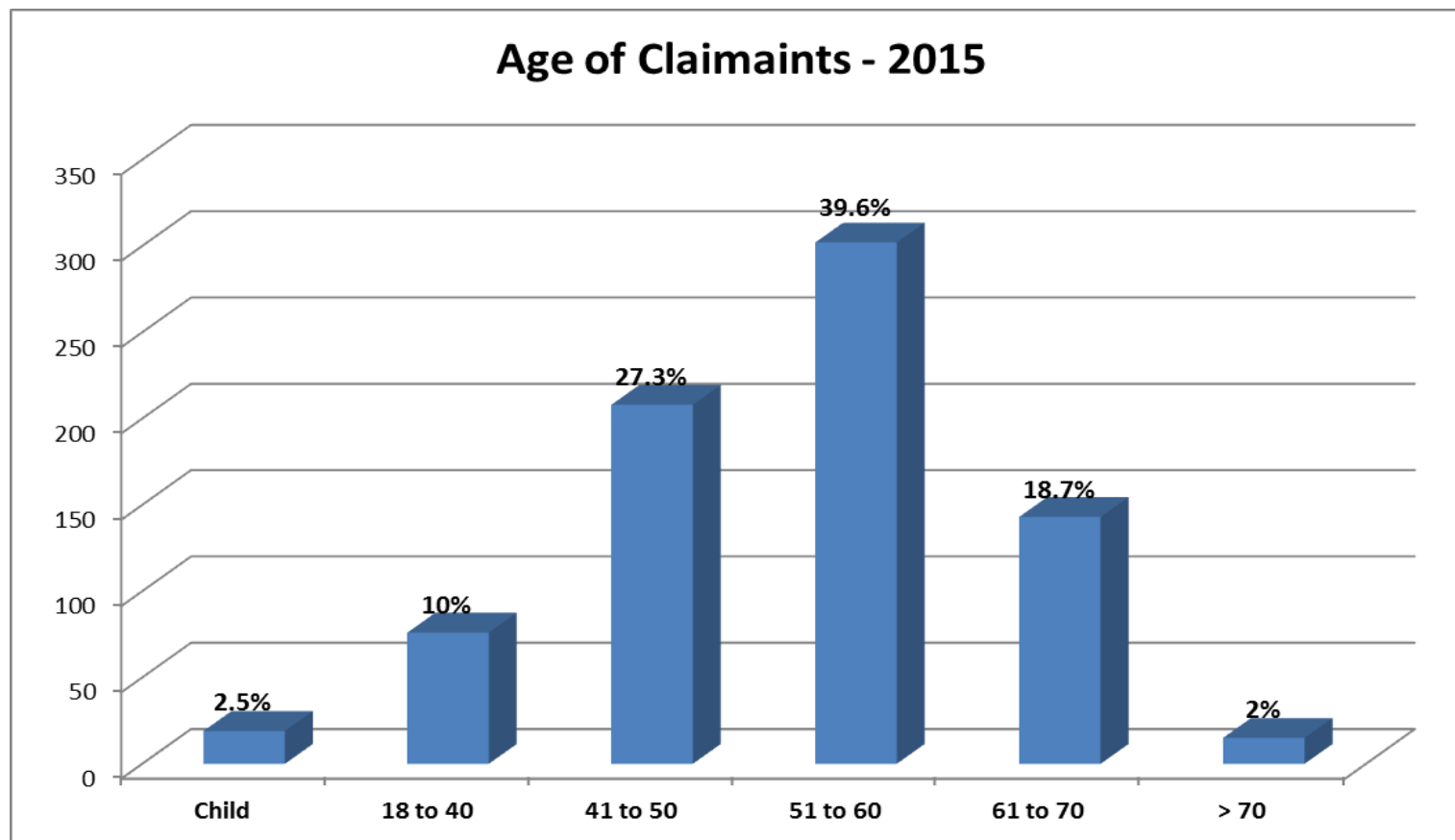
€192,000
every working day



**Ave age of adult claim
53 years**

**Largest claim:
€492,000
Malignant Prostate
Cancer
Male in 50's**

SIC CLAIMANT AGES



15

SIC CLAIMS PAID IN 2015 – EXAMPLES

€177,000

Female in early
40's

- Beauty industry
- Heart by-pass
- 6 years in force

€100,000

Female in early
50's

- Fall - accident
- Cancer (non-Hodgkins disease)
- < 12 years in force

€70,000

Male in 30's

- Restaurateur
- Sudden heart attack
- < 12 months in force

€264,000

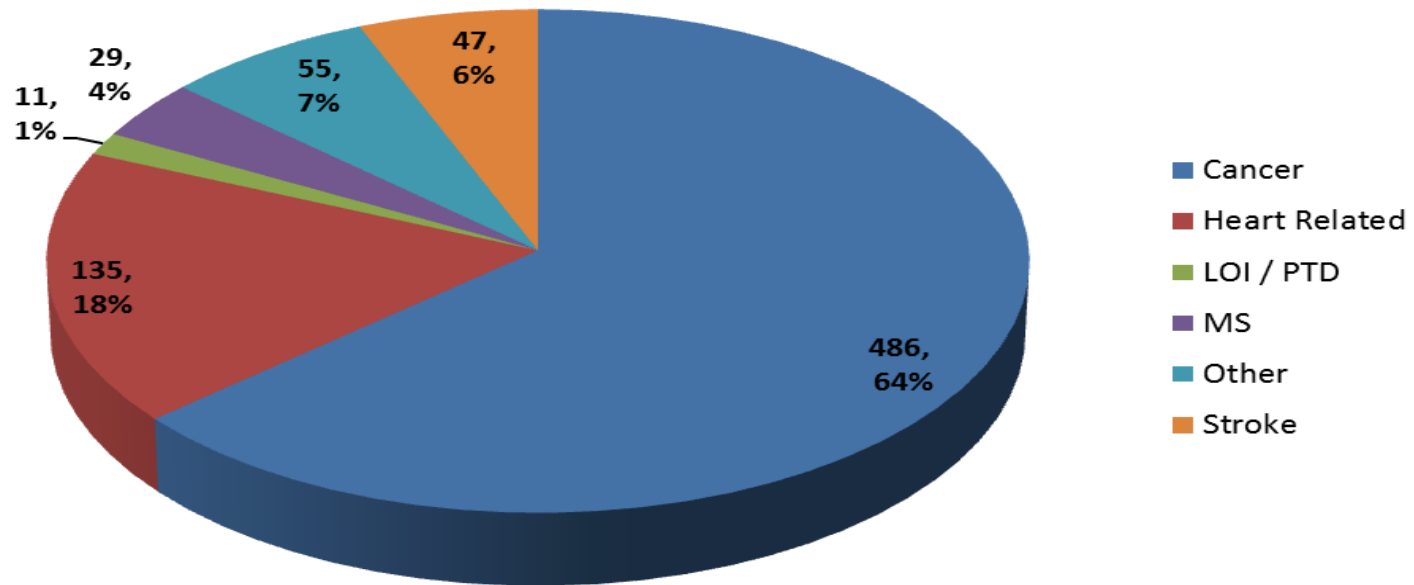
Male in 30's

- Tradesman
- Motor neurone disease
- 9 years in force

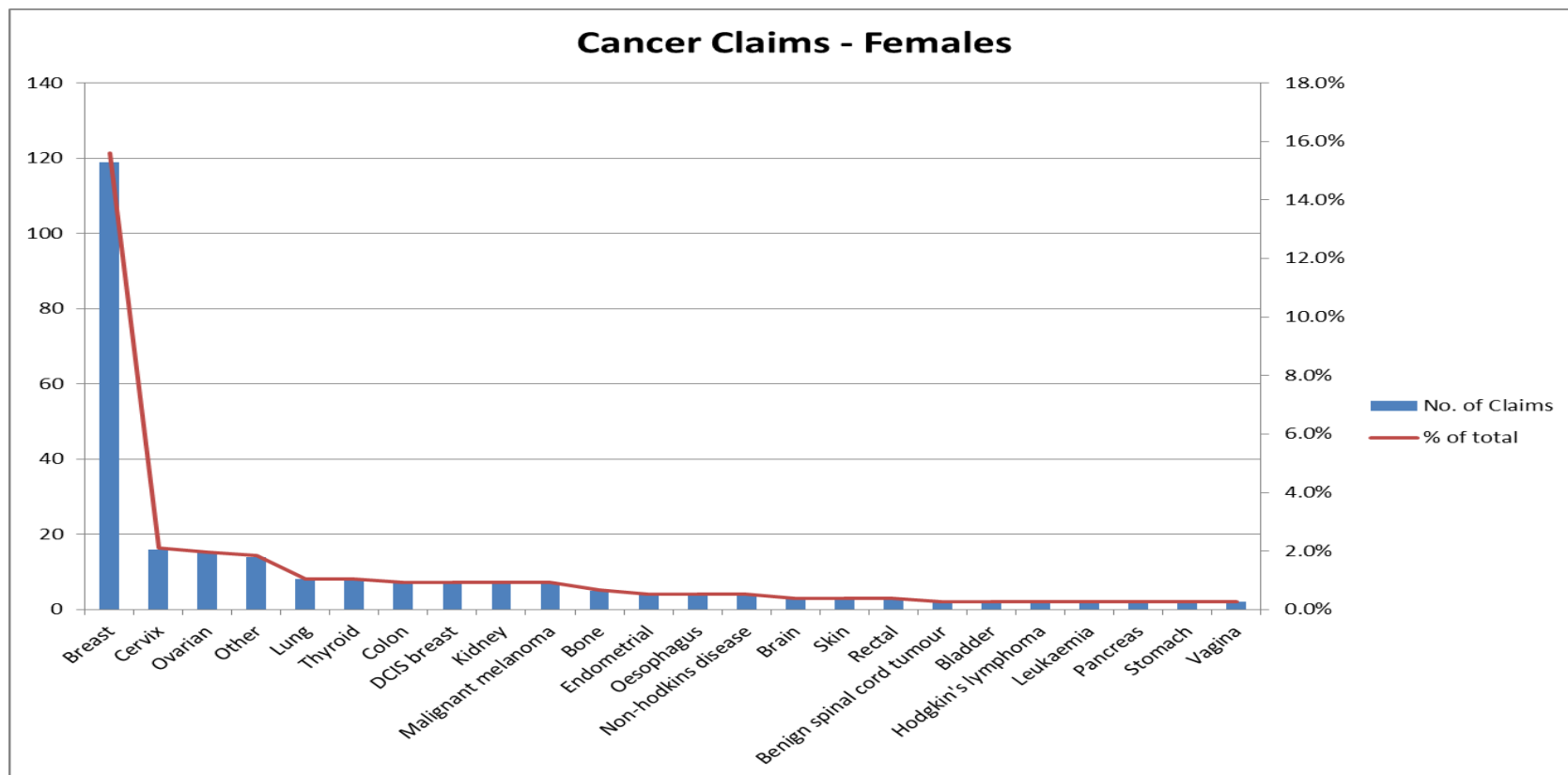


SPECIFIED ILLNESS 2015

SIC Claims by cause

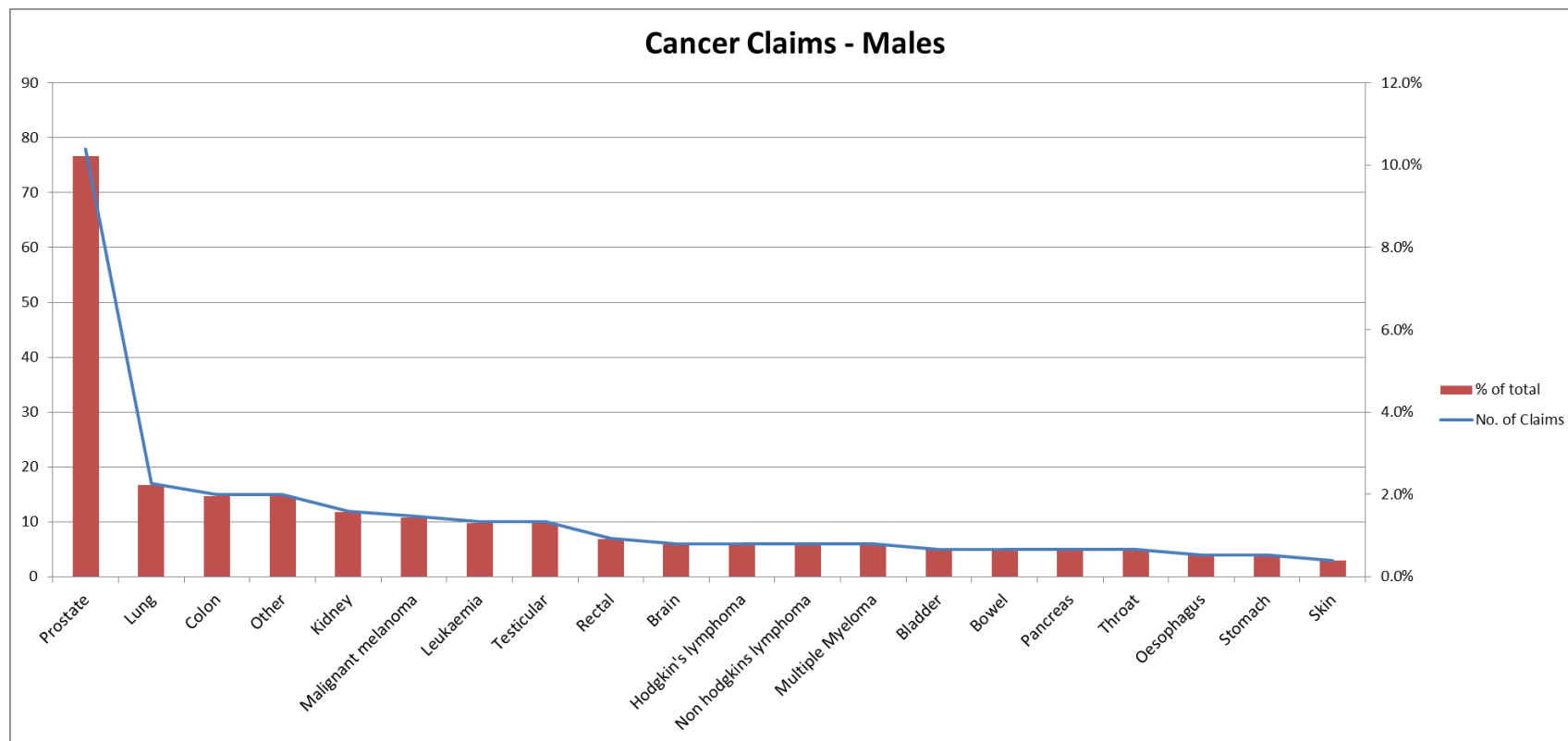


SPECIFIED ILLNESS PAID IN 2015



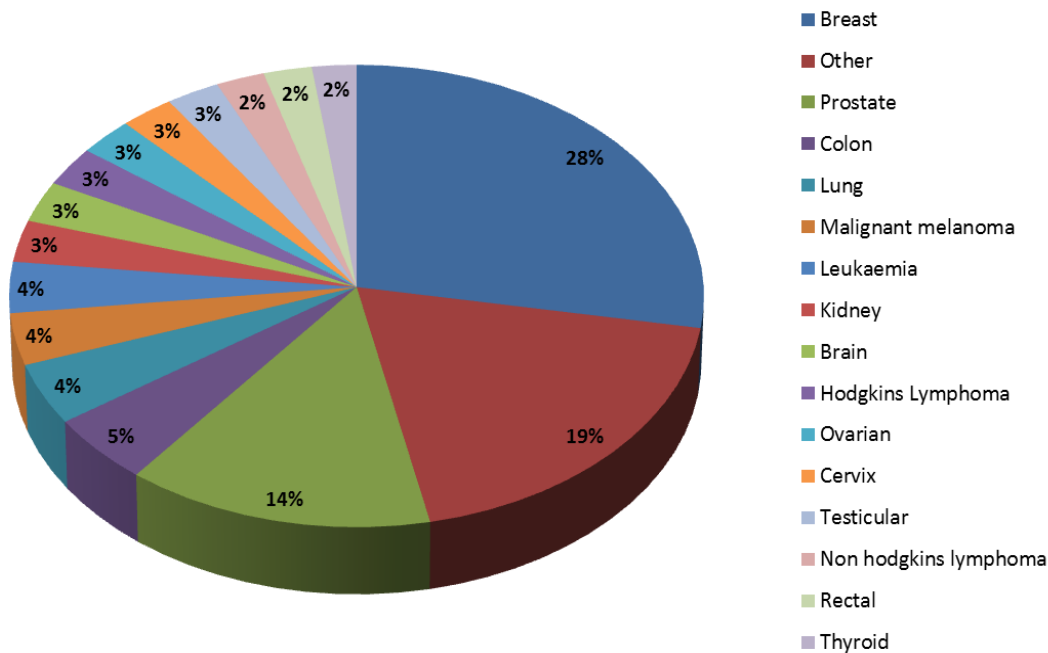
* DCIS breast is a partial payment condition

SPECIFIED ILLNESS PAID IN 2015



MALIGNANT CANCER SIC Claims – IL 2011 to 2015

Cancer Claims - 2011 to 2015



- 2,048 Cancer claims paid in the last 5 years
- Total €135.1m paid⁴
- Malignant Breast & Prostate Cancer are top 2 causes – 42% of all cancer claims
- **95.8% of Malignant Cancer claims are paid.**



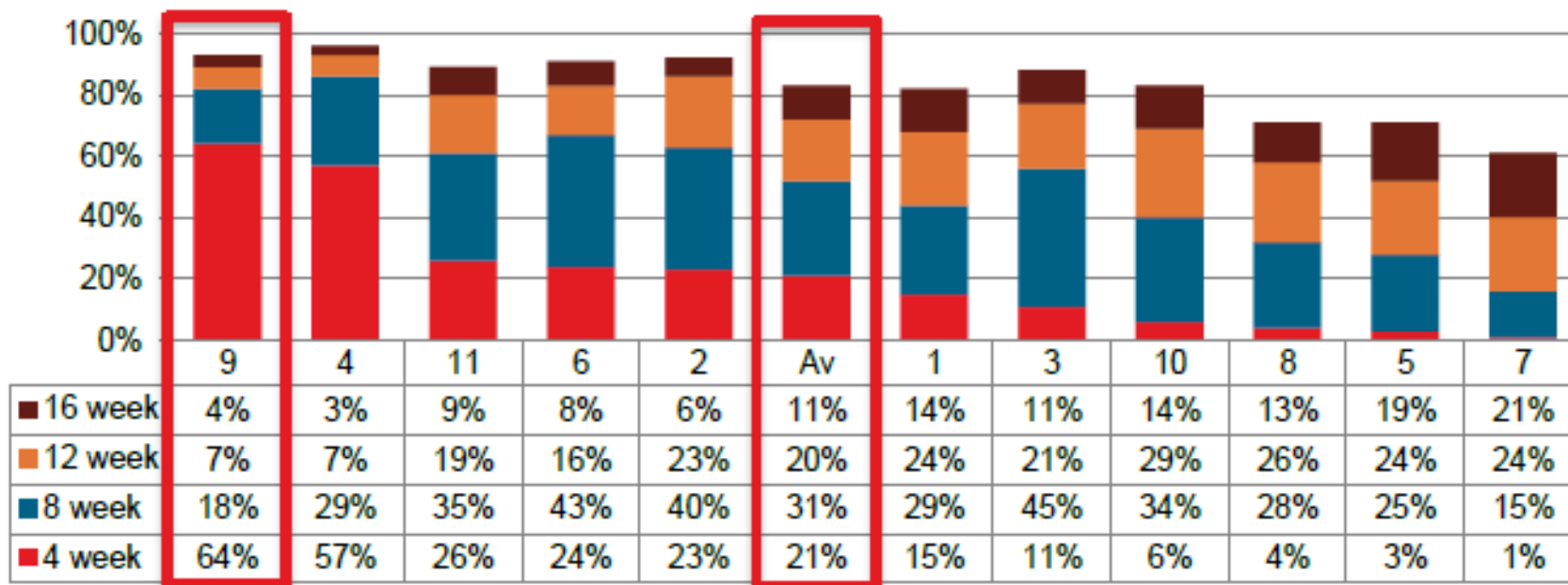
“HOW LONG DOES IT TAKE?”

A summary of 2014 end-to-end claims



Critical illness

Figure 13: Company comparison – decision rates to 16 weeks, ranked by best performer at 4 weeks



MACMILLAN IN UK – FINANCIAL INFORMATION

Benefits, other financial support and managing your finances

Filter your results:

Product Type:



Financial guidance series: Financial planning



Financial guidance series: insurance



Financial guidance series: Managing money day-to-day



Financial guidance series: Pensions



Financial guidance service cards



Financial guidance service leaflet



Financial planning series: Housing costs



Getting travel insurance - CD



Help with the cost of cancer



Keeping warm without the worry



Managing your debt



Money Worries? How we can help



Need advice about benefits or debt? we can help



Sorting out your affairs

Save page to **MY MACMILLAN**

WANT TO MAKE OR ORDER SOMETHING?

[Login >](#)

[Create account >](#)

[Need help?](#)



IRISH CANCER SOCIETY
THE REAL COST OF CANCER

RESEARCH CONDUCTED BY MILLWARD BROWN 2015

“Like I couldn’t provide for my four children or myself. I felt shamed”

“I haven’t been able to go back to my job yet because, in terms of treatment, there is something every month”

“Eventually I had to leave work and signed on sick leave with the social welfare. It’s not the same as your weekly wage though.”

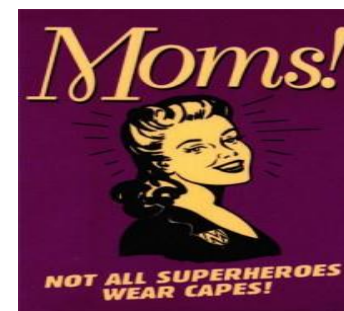
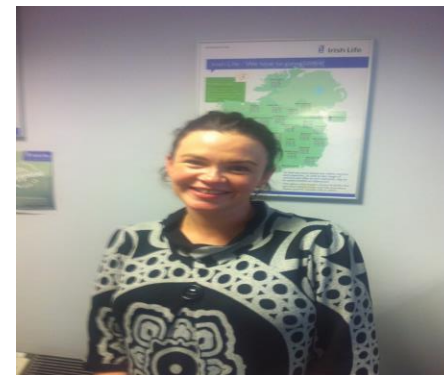
“My husband had to take a less well paid job as he worked away & had to come home to look after myself & the children”

EMOTION IN SPECIFIED ILLNESS CLAIMS

Sharon Armstrong - Claims assessor

Feedback around calls with customers:

- ☐ Listen, listen, listen
- ☐ Some customers are still in shock
- ☐ Some are only starting to tell friends/relatives
- ☐ The financial implications are more real to those who have just finished treatment
- ☐ Women tend to be very open about their symptoms & diagnosis. Men tend to be more factual
- ☐ We are there to help them during the claims process
- ☐ Empathic & professional
- ☐ “The way I’d like my Mum to be spoken to, if she was in this situation”



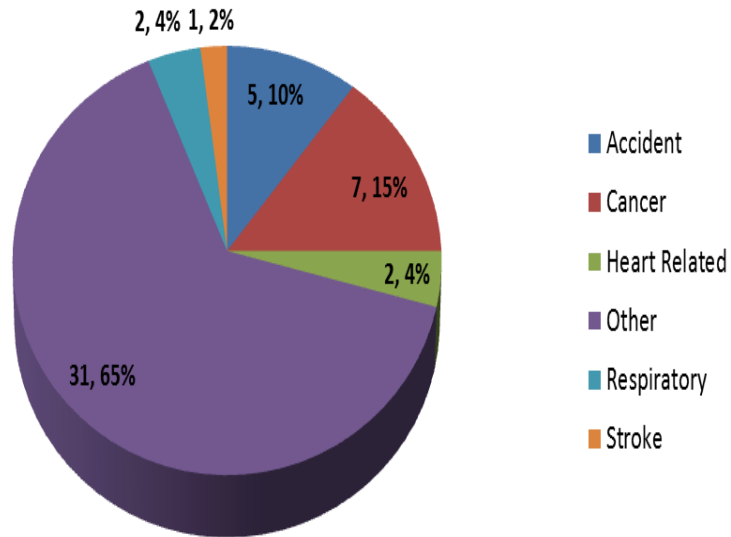
24



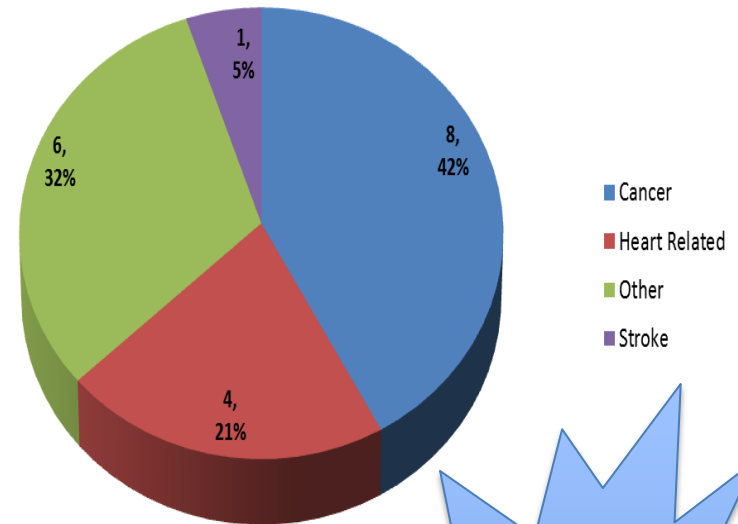
CHILD CLAIMS PAID IN 2015

48 DEATH & 19 SIC

Death Claims - Child



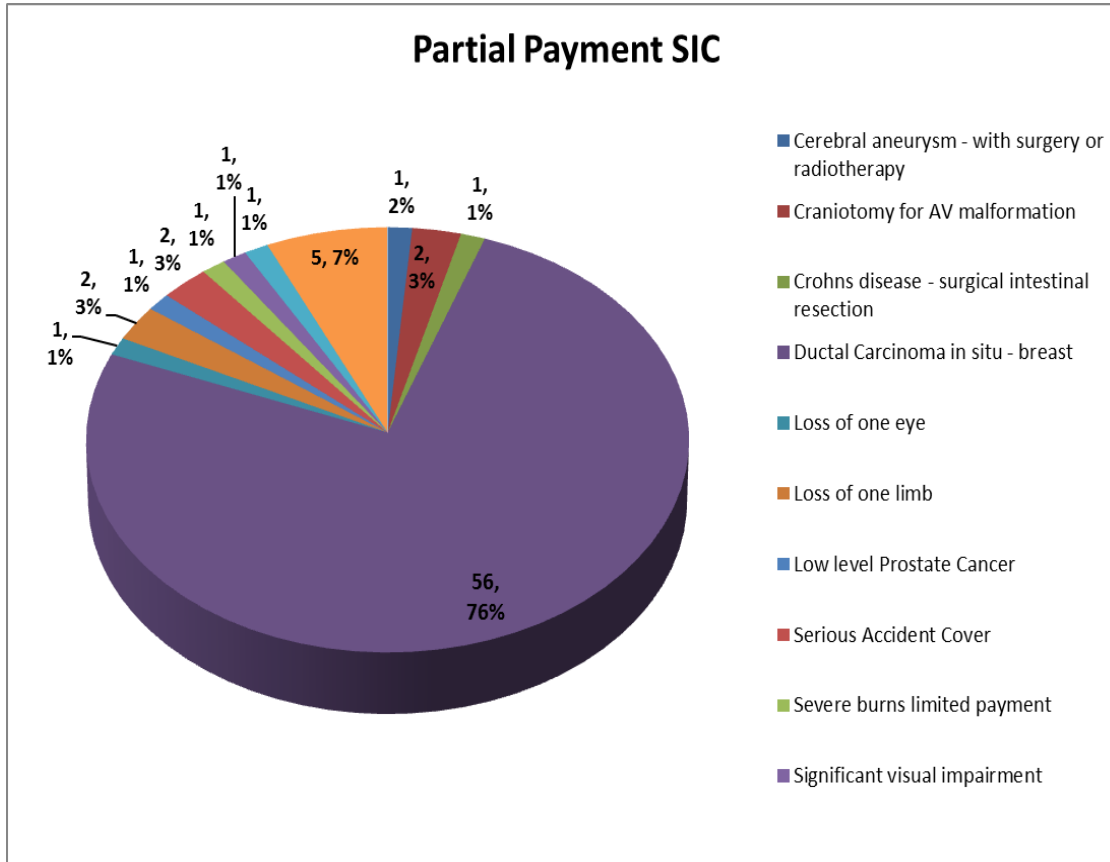
Child SIC Claims



Current new plan: Death €6,000 / SIC 50% of parents to max of €25,000

So always try to offer €50,000 to adults who have children

Partial Payment Specified Illness Cover



- 74 Partial Benefit SIC claims paid since introduction of cover in 2009
- Total €875,000 paid
- DCIS Breast is by far the biggest cause of claim – 76% of all Partial claims
- 9 claims paid in 2015

PAID / DECLINED SIC CLAIMS

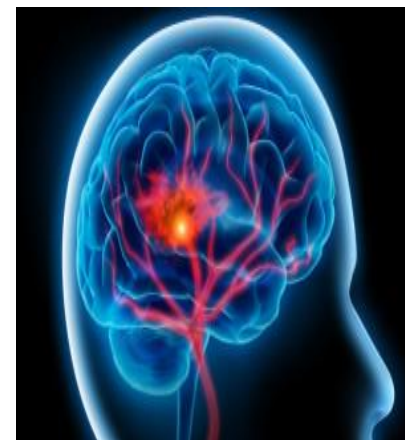


- ☐ Irish Life paid 90.4% of SIC claims in 2015.
- ☐ The average over the last 5 years was 89%.
- ☐ Very strong pay percentage and consistent over time – should give you as a financial broker confidence in what Irish Life does
- ☐ The main reasons for declining a claim were non-disclosure of material fact, claimed condition not covered and definition of illness not met.

27

EXAMPLE OF SIC NON-DISCLOSURE

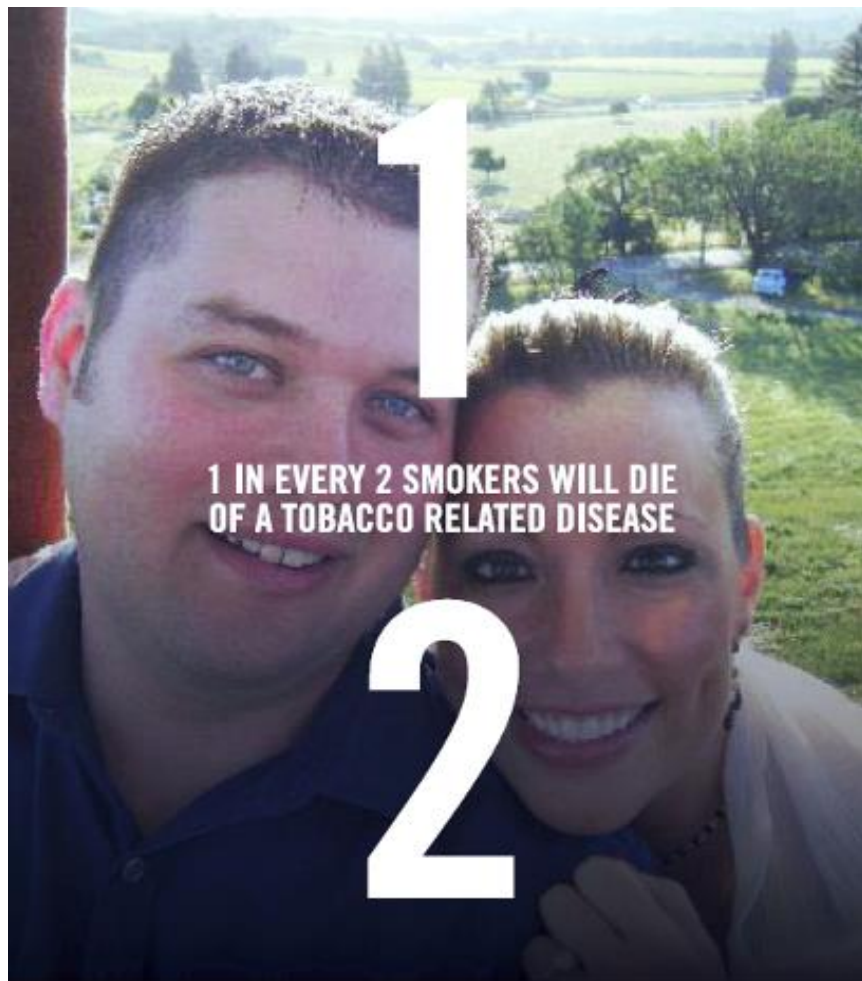
- ❑ Mrs C took out cover 27/9/2011
- ❑ €100,000 Life cover & Accelerated SIC
- ❑ SIC claim for Malignant Breast Cancer
- ❑ On investigation – history of smoking and Stroke in 2004 with on-going treatment
- ❑ Non-disclosure of material facts – smoking and medical history
- ❑ Had we been aware, no cover would have been offered
- ❑ Claim declined and plan voided



EXAMPLE OF GOOD SIC PAYOUT

- ❑ Mrs D applied for cover in early 2016
- ❑ Disclosed history of Malignant Melanoma in 2014.
- ❑ New business application postponed
- ❑ Underwriter noted previous plan with SIC cover with Irish Life
- ❑ Possible SIC claim investigated
- ❑ €220,000 SIC claim paid March 2016 – customer not aware up to that point





1

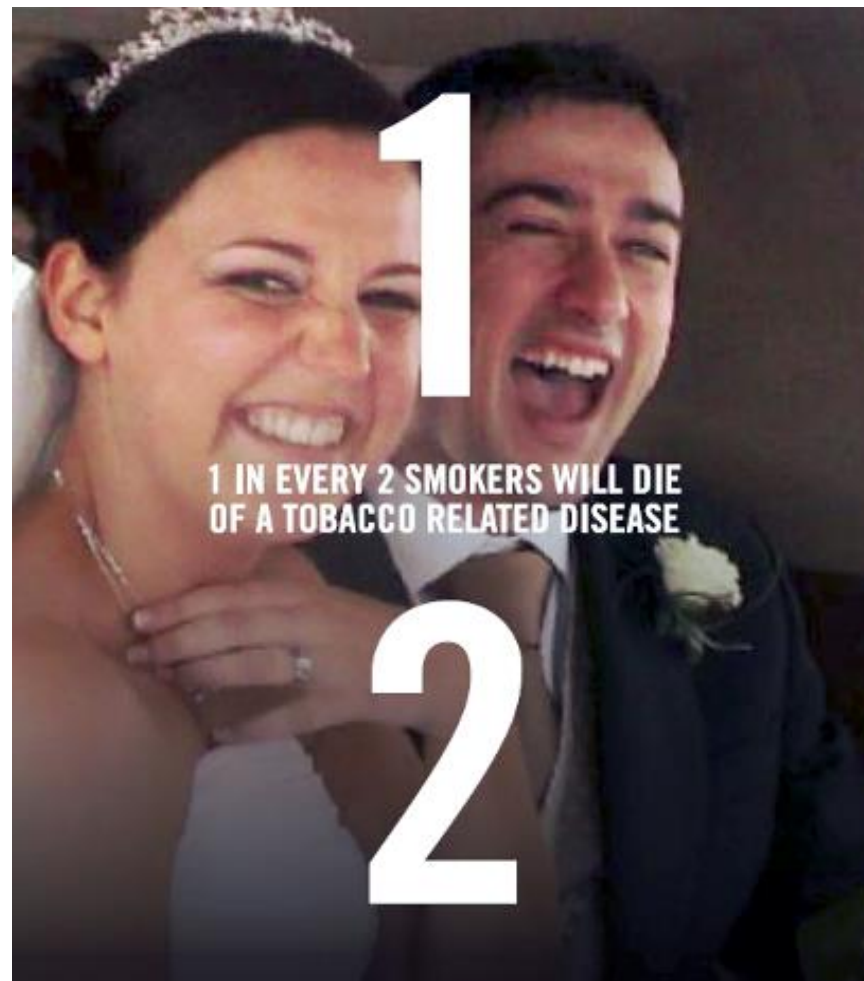
2

1 IN EVERY 2 SMOKERS WILL DIE
OF A TOBACCO RELATED DISEASE

CAN YOU LIVE WITH THAT?

quit-smoking.ie

QUIT



1

2

1 IN EVERY 2 SMOKERS WILL DIE
OF A TOBACCO RELATED DISEASE

CAN YOU LIVE WITH THAT?

quit-smoking.ie

QUIT

Electronic Cigarettes

- Electronic Nicotine Delivery Systems (ENDS)



- Promise or Public Threat?
- Not a licenced medicine or a licenced tobacco cessation product
- What's in them? (tin/lead/cadmium/mercury/anti-freeze)
- Some studies show 80% of e-cigarette users also smoke tobacco

Note: IL application forms including smoking question from 12 midnight on Friday 22nd April – use of e-cigs = smoker rates
⇒ Talk to your Account Manager

Life Care

PENSIONS
INVESTMENTS
LIFE INSURANCE



LIFECARE WITH YOU ALL THE WAY



MEDCARE • NURSECARE • CLAIMSCARE

WHEN IT COMES TO PROTECTING YOU AND YOUR FAMILY NOTHING BUT THE BEST WILL DO.

At Irish Life, we've been taking care of families in Ireland for generations. And as part of the Great-West Lifeco group of companies, one of the world's leading life assurance organisations, we now have access to global experience and expertise.

The LifeCare range of services give you and your family access to valuable expert help at no extra cost.



MEDCARE

A medical second opinion service provided by MediGuide.



NURSECARE

Two confidential medical helpline services provided by Intana Assist.



CLAIMSCARE

A dedicated claims assessor and access to post claim counselling services.

LifeCare services are available when you start a new Term Life Insurance, Mortgage Life Insurance, Life Long Insurance, Pension Life Insurance or Income Insurance plan with Irish Life. NurseCare and MedCare services are available to you even if you never make a claim on your plan.

Important information:



LifeCare gives you access to services provided by other companies which are independent from Irish Life. These services are not designed to replace the advice provided by your doctor or your own health professional, but to give you information to help direct you toward the appropriate course of action. In the future, Irish Life may change the companies listed in this leaflet as service providers. We may also withdraw access to the services listed.

CLAIMSCARE

HIGHEST QUALITY SERVICE

We pay thousands of claims every year – in fact in 2014 alone we paid over 2,000 claims, worth over €218 million. From experience we know that making a specified illness or life cover claim can seem daunting at an already difficult time.

So when you make a claim, we promise that we'll:

- provide a personal claims expert to look after your claim.
- deliver a quick and efficient process.
- keep you informed regularly.
- make your claim as easy and straightforward as possible.

Last year our customers scored our specified illness claims service 90% for customer satisfaction. (Source: The Leadership Factor on behalf of Irish Life, December 2013 - August 2014).



IF YOU WANT TO READ MORE...2 articles produced by claims team

"Irish Broker" (Feb 2016)



Can knowledge of Protection Claims support financial advice?

Irish Life Claims 2015

Whether the economic outlook, individuals and families need to protect themselves against the unexpected. However it sometimes can be difficult to really demonstrate the benefits of our products. Talking about actual claims paid is one way of overcoming inertia. Once potential customers realise that the unexpected does happen to real people, just like them, they will quickly realise how exposed they may be financially by a sudden death or life threatening illness.

A comprehensive analysis of protection claims paid in 2015 by Irish Life has shown some facts and trends that may be of interest to you as a financial broker.

Value of claims paid on average every working day during 2015 by Irish Life

Who pays the most protection death and Specified Illness Claims (SIC) in Ireland?

Irish Life was the biggest payer of death and SIC claims in Ireland in 2015. Historically, in the last 10 years (2006 to 2015), the value of £780 million and 5,414 SIC claims to the value of €338 million.

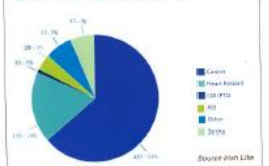
Outlined below are some key findings from Irish Life's analysis of individual claims paid during 2015.

Number of 2015-16 claims	Death Claims	Specified Illness Claims
Number of claims paid	1,581	786
Amount paid	€103.5m	€48m
Average adult claim amount	€65,462	€62,913
Average age of claimant	63	52
Average duration of illness	16 years	12 years
Adult claims - male/female split	65%/35%	58%/42%
Partial payment SIC claims	n/a	9
Number of child claims - up to age 21 (7 years benefit)	48	19

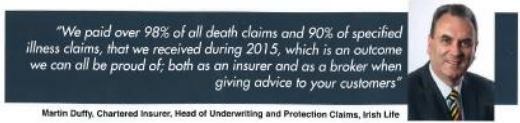
Under specified illness insurance, the biggest cause of claim continues to be malignant cancer (84%), heart related (18%), stroke (8%), multiple sclerosis (4%). We paid 47 heart attack claims and 47 stroke claims during 2015.

9 partial payment SIC claims were paid during 2015. Irish Life have paid 75 such claims in total over the last 6 years, with the biggest single category being for ductal carcinoma in-situ of the breast, leading to mastectomy or surgical removal.

SPECIFIED ILLNESS - 2015



Top 5 Types	Number of claims paid
Breast	120
Prostate	78
Lung	26
Colon	26
Kidney	19



"We paid over 98% of all death claims and 90% of specified illness claims, that we received during 2015, which is an outcome we can all be proud of; both as an insurer and as a broker when giving advice to your customers"

Martin Duffy, Chartered Insurer, Head of Underwriting and Protection Claims, Irish Life

On the death claim side over 36% of our claims were in the age group 41 to 50, the prime age for parents to ensure that they have adequate life insurance in place. If you look at male lives aged 49 or younger the biggest causes of death are accidents, followed by cancer and then heart related conditions.

If you look at term assurance cover claims paid in 2015 and where the plan was taken out since 2005, the average of 295 such death claims, amount was only €107,000. Only one in five of our death claims was for over €100,000 and average death claim amounts are still extremely low and in no way provide a satisfactory level of family protection. Both of these facts clearly demonstrate that we are not writing high enough sums assured to adequately protect Irish families, even with prices having fallen since 2009.

Some genuinely sudden deaths do occur very shortly after a plan has been started. For example during 2015, we paid a claim on a plan that was just over 6 months in force, in respect of a man in his early 40s who died as a result of heart attack. The amount paid was €180,000. So unfortunately, as we all know from our day to day lives, medicalisation accident deaths can sometimes be very unexpected.

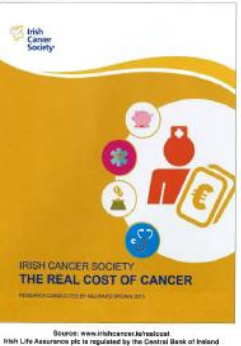
"Our largest death claim paid in 2015 was for €938,000 as a result of colon cancer for a person in their 50s, under a plan that had been in force less than 3 years"

Irish Life paid 31 terminal illness claims under life assurance plans during 2015, with the average claim amount being €82,561 and with an average plan duration of 9 years. Interestingly, only 12% of death claims paid during 2015 were on lives above age 80.

We paid over 98% of all death claims and 90% of specified illness claims, that we received during 2015, which is an outcome we can all be proud of; both as an insurer and as a broker when giving advice to your customers.

One of the noteworthy reasons why a protection claim is not paid is where there has been a major failure to disclose key material facts on the application for cover, which could also include answers to the smoking related questions. Be very careful when asking customer about their smoking habits, including use of e-cigarettes. Clearly e-cigarettes are probably a good thing overall, but it's important to be aware that some people use both e-cigarettes and also smoke tobacco. For example the UK Office of National Statistics report from November 2014 states that more than 1 in 10 smokers also use e-cigarettes, so it's important to be clear when asking customers about their smoking habits.

Hopefully you will find that knowledge of Irish Life protection claims during 2015 and our 2016 claims flyers will support your financial advice to customers.



IRISH CANCER SOCIETY
THE REAL COST OF CANCER

Source: www.irishcancersociety.ie
Irish Life Assurance plc is regulated by the Central Bank of Ireland

"Financial Broker" (Spring 2016)



Malignant Cancer – the No. 1 Cause of Claims

A comprehensive analysis of protection claims paid in 2015 by Irish Life has shown that malignant cancer is the single biggest cause of claims paid under life and specified illness cover plans. On average during 2015 Irish Life paid out €604,377 every working day under individual death and specified illness cover plans.

SUMMARY OF IRISH LIFE CLAIMS 2015

Death Claims	Specified Illness	
Number of claims paid	1,581	786
Amount paid	€103.5m	€48m
Average adult claim amount	€65,462	€62,913
Average age of claimant	63	52
Average duration in force	16 years	12 years
Adult claims - male/female split	65%/35%	58%/42%
Partial payment SIC claims	n/a	9
Number of child claims - up to age 21 (7 years benefit)	48	19

Specified Illness Cover

Under specified illness insurance, the biggest cause of claim continues to be malignant cancer (84%), followed by heart related (18%), stroke (8%), and multiple sclerosis (4%).

SPECIFIED ILLNESS - 2015



TOP 5 TYPES

TYPE	NUMBER OF CLAIMS PAID
Breast	120
Prostate	78
Lung	26
Colon	26
Kidney	19

Unfortunately we do regularly see specified illness claims for malignant cancer even on plans only in force a relatively short time. For example, we paid a claim for €180,000 in respect of a man in his early 40s for malignant cancer - Non Hodgkin lymphoma - but the plan had only been in force less than 3 years.

We paid 95.5% of malignant cancer specified illness claims over the period 2010 to 2014, a very satisfactory customer experience outcome. Of further note is the fact that during 2015, Irish Life paid 72% of our specified illness cover claims within four weeks of receiving the claim form.

Some genuinely sudden deaths do occur very shortly after a plan has been started even for malignant cancer. For example, we paid a claim on a plan that was just over 12 months in force, in respect of a woman in her early 30s who died as a result of a malignant breast cancer. This was a sudden and unexpected terminal diagnosis. The amount paid was over €200,000.

Irish Life paid 31 terminal illness claims under the assurance plans during 2015 with the average claim amount being €82,561 and with an average plan duration of 9 years. Of the 31 claims, 12 were as a result of malignant cancer. With regard to income protection, 14% of claims paid during 2015 were in respect of malignant cancers.

We paid over 98% of all death claims and 90% of specified illness claims that we received during 2015. However one of the noteworthy reasons why a protection claim is not paid is where there has been a major failure to disclose key material facts on the application for cover, which could also include answers to the smoking related questions. Clearly smoking tobacco is a significant risk factor for the development of malignant cancer. As appropriate, be very careful when asking customers about their smoking habits, including use of e-cigarettes or use of nicotine replacement products.

We are all aware that as society gets older, and continues to smoke tobacco and to be obese, then the numbers of malignant cancers will increase into the future. We also have good screening programmes in Ireland for some of the commonest forms of cancer: breast, cervical, colorectal and prostate cancer. These all also drive up early diagnosis of malignant cancers.

While it is talked about various aspects of malignant cancer, what is not as well talked about is the financial effect that such a diagnosis has on one person or their family.

The Irish Cancer Society 2015 booklet 'The Real Cost of Cancer' www.irishcancersociety.ie looks at the financial impacts and the extra costs associated with a cancer diagnosis. A third of working incomes have to give up work, at least temporarily. To quote from the report: 'For those working the associated loss in income can be as high as €1,400 per month on average.'

In conclusion I believe that knowledge of Irish Life protection claims paid during 2015, and our 2016 claims flyers, will greatly support the Financial Broker's advice to customers.

Irish Life Assurance plc is regulated by the Central Bank of Ireland

SUMMARY - YOU GIVING FINANCIAL ADVICE

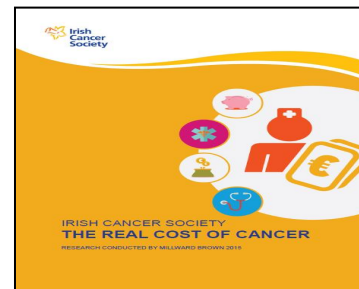
- ❑ Importance of customers having suitable protection cover in place.
- ❑ Unexpected deaths & illness do occur and lead to claims.
- ❑ Cancers – biggest cause of claim & largely a sudden diagnosis
- ❑ Average amount of death claim is relatively low, but some cover is better than none
- ❑ Accidents – particularly for under 40s - 37% of Irish Life claims
- ❑ Average age of SIC claimants is only 53
- ❑ Children's cover is free and invaluable
- ❑ Non-disclosures are biggest case of refusal - be careful with health questions & smoking.
- ❑ 98% of death claims & 90% of SIC claims being paid by Irish Life



34

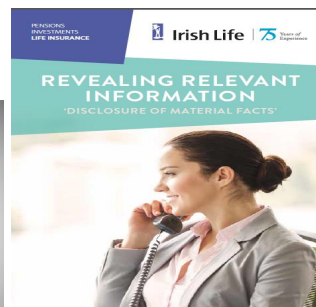
CAN KNOWLEDGE OF PROTECTION CLAIMS SUPPORT FINANCIAL ADVICE?

Analysis of
accident
death - 17
years
younger



YES

98% of Death Claims paid



90% of SIC Claims paid



Can knowledge of Protection Claims support Financial Advice?



Martin Duffy ACII, DLDU & DLDC (AMS)
Chartered Insurer
Head of Underwriting & Protection Claims

Irish Life Assurance plc is regulated by the Central Bank of Ireland

